

The burden of high taxes and the sheer unfairness and complexity of the tax code are among the principal reasons I ran for elected office. Reducing the tax burden on Northern Californian families and businesses continues to be one of my highest priorities in Congress. A dynamic economy needs entrepreneurship, investment and economic activity to grow and prosper. When taxes are high investment slows, employers stop hiring new workers and give fewer pay raises, and families experience a lower standard of living. Low taxes enable small businesses and entrepreneurs to invest and grow, creating more jobs for American workers and their families, who also are able to keep more of their hard-earned money.

Another key component of a strong and prosperous economy is certainty. Employers are making the plans today for the business environment of tomorrow. But if they expect higher taxes they might not hire new workers or retain the workers they have. Currently, massive tax increases are expected to occur in 2010. We must act now to avert these tax increases and give businesses the tax certainty they need to grow, especially now as our economy experiences some rough waters. Investment income makes up an important part of the retirement plans of over half of all Americans and seniors. Whether through a mutual fund or individual investments, the current low 15% rates on capital gains and dividends will increase dramatically after 2010 and serve as a drag on these retirement savings. In addition, the child tax credit will increase by \$500, the marriage penalty will be re-instated, the lower marginal income tax rates will increase and the tax on death will return in 2011 if Congress takes no action.

We should also take action to keep good-paying jobs in the United States by reducing taxes on American employers. The U.S. business tax rate is among the highest in the world, creating an incentive for companies to ship jobs overseas to countries with lower tax rates. Reducing the tax burden on American businesses -- both large and small -- will make our country more competitive in the global economy and will foster job creation and long term growth. Finally, with taxpayers spending millions of hours and billions of dollars muddling through a complex and burdensome tax system each year, it's time for Congress and the President to work together to replace the unfair tax code with a system that is simpler, fairer and more pro-growth.

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